

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL ELECTRIC)
COOPERATIVE CORPORATION TO BORROW AN)
ADDITIONAL SUM OF \$1,349,000 FROM THE UNITED)
STATES OF AMERICA AND TO EXECUTE A NOTE FOR)
SAID AMOUNT AND TO CONCURRENTLY BORROW FROM)
THE LOUISVILLE BANK FOR COOPERATIVES THE SUM)
OF \$578,000 AND TO EXECUTE ITS NOTE THEREFOR) CASE NO. 9632
TO BE SECURED BY EXISTING COMMON MORTGAGE)
HERETOFORE EXECUTED AND FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY AUTHORIZING IT)
TO CONSTRUCT AND MAKE ADDITIONAL IMPROVE-)
MENTS AND EXTENSIONS TO ITS EXISTING SYSTEM)

O R D E R

IT IS ORDERED that Taylor County Rural Electric Cooperative Corporation ("Taylor County") shall file three copies of the following information with the Commission within ten days from the date of this Order. Failure to file the information within this time, or to request and receive an extension of time, may result in the case being dismissed.

1. Provide a copy of the loan agreement between Taylor County and the Louisville Bank for Cooperatives ("LBC").

2. Provide a detailed description of any other financing options that were considered in securing the LBC loan. This response should include the reason(s) that LBC financing was selected over other options as well as the results of any studies conducted which support the use of LBC financing.

3. What consideration has Taylor County given to the various loan programs available through LBC? Explain which option Taylor County anticipates selecting at this time.

4. Provide the additional debt service requirements associated with the Rural Electrification Administration loan and the LBC loan.

5. Provide an amortization schedule of the proposed loan from LBC.

6. Provide the current interest rates on both LBC fixed rate and variable rate loans.

7. Taylor County currently has a rate application filed with the Commission. Will Taylor County be able to meet its increased debt service requirements with the revenues anticipated as a result of that application?

Done at Frankfort, Kentucky, this 11th day of August, 1986.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director